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Electricity Rates Drop Today For Southern California Edison Customers

ROSEMEAD, Calif., Aug. 1, 2003 —Beginning today, electricity rates for customers of Southern California Edison (SCE) drop by 8% to 19%.

The rate change is based on SCE's previous forecast that during July it would complete recovery of \$3.6 billion in uncollected power procurement costs incurred on behalf of customers during the 2000-2001 California energy crisis.

"This \$1.25-billion customer rate reduction is a major landmark in the economic recovery from the devastating impacts of the power crisis for the 12 million people and 500,000 businesses we serve," said SCE Chairman John E. Bryson. "Our customers deserve this rate relief, just as they deserve the reliable electric service that SCE's strengthening financial health will help ensure."

SCE filed a rate reduction plan last January, anticipating a midyear completion of its cost recovery effort and the possibility of reduced rates in early fall. Subsequently, a settlement was reached with representatives of various customer groups that included the use of forecasted rather than after-the-fact cost-recovery verification and made possible earlier rate reductions. Based on forecasts that pointed to full recovery in July, the California Public Utilities Commission (CPUC) voted on July 10 to authorize rate reductions, beginning today.

As the chart shows, the anticipated reductions will benefit all customer groups—residential, small, medium-sized, and large businesses as well as agricultural and street-lighting customers. Average rate reductions for businesses are larger than those for residential customers, because businesses paid higher energy crisis rate surcharges.

Participants in the state's low-income California Alternate Rates for Energy (CARE) program will retain their 20% bill discount.

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SCE RATES LOWER

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Customer Group	Current Avg. Rate (per kWh*)	New Avg. Rate (per kWh*)	Reduction %
Residential (non-CARE)	\$.146	\$.135	8%
Small-Business	\$.174	\$.143	18%
Medium-Business	\$.153	\$.133	13%
Large-Business	\$.129	\$.105	19%
Agriculture	\$.113	\$.096	15%
Street-Lighting	\$.172	\$.145	16%

* kWh = Kilowatt-hour

“These rate reductions should help all of our customers, including businesses, manage higher summer energy bills when they need rate relief most,” said SCE President Bob Foster. “We continue to pursue other measures that would lower costs and assure reliable power supplies for our customers.”

SCE has been recovering its uncollected power procurement costs under the terms of a settlement agreement reached with the CPUC in October 2001. That settlement has been appealed and is under review by the courts.

“SCE is taking important steps to become a financially healthy company once again so that we can fully serve our customers,” said Foster. “The completion of procurement cost recovery and the implementation of reduced customer rates is a critical step. In addition, we are working hard on our General Rate Case, on clear rules regarding the state’s programs allowing utility customers to select their power generator, on the recovery of major capital investments and on a plan to attract capital for future investments on behalf of our customers.”

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An Edison International (NYSE:EIX) company, Southern California Edison is one of the nation’s largest electric utilities, serving a population of more than 12 million via 4.5 million customer accounts in a 50,000-square-mile service area within central, coastal and Southern California.